United Nations S/AC.37/2003/(1455)/48

Security Council

Distr.: General
5 June 2003

Original: English

Security Council Committee established pursuant to resolution 1267 (1999)

Letter dated 4 May 2003 from the Deputy Permanent Representative of Norway to the United Nations addressed to the Chairman of the Committee

On instructions from my Government, I have the honour of enclosing herewith Norway's report on steps taken to implement the measures imposed by paragraph 4 (b) of Security Council resolution 1267 (1999), paragraph 8 (c) of resolution 1333 (2000) and paragraphs 1 and 2 of resolution 1390 (2002), as requested under resolution 1455 (2003) (see annex).

I should be grateful if you would have the text of the present letter and its annex circulated as a document of the Security Council.

(*Signed*) Wegger Christian **Strømmen**
Ambassador
Deputy Permanent Representative

03-38693 (E) 120603

Annex to the letter dated 4 May 2003 from the Deputy Permanent Representative of Norway to the United Nations addressed to the Chairman of the Committee

I. Introduction

1. Please provide a description of activities, if any, by Usama bin Laden, Al-Qaida, the Taliban and their associates in your country, the threat they pose to the country and the region, as well as likely trends

Norway takes part in the broad international effort to fight terrorism and has contributed militarily as well as politically to this end. Norway has a high level of preparedness for any activities by Al-Qaida, Usama bin Laden and their associates. The specific threat level posed to the country is assessed continuously in close co-operation with our allies.

On May 21 2003 the Al-Jazeera television channel broadcasted an audiotape with a statement from a person, who is allegedly identical with Ayman al-Zawahiri, considered to be the deputy of Usama bin Laden. The statement included clear and direct threats of terrorist attacks against Norway and Norwegian interests abroad, as well as three other countries. The statement has led to more stringent attention on certain Norwegian interests abroad, where the current threat situation is considered as high.

After a consolidated evaluation, the threat level within Norway is not considered to be substantially increased. Alertness is however intensified around potential targets.

II. Consolidated List

2. How has the 1267 Committee's List been incorporated within your legal system and your administrative structure, including financial supervision, police, immigration control, customs and consular authorities?

Norway implemented Security Council resolutions 1267, 1333 and 1390 by regulations laid down in Royal Decree of 22 December 1999, later amended 19 January 2001 and 18 January 2002, as will appear in the attached copy of the regulations. These regulations were laid down pursuant to the enabling Act of 7 June 1968 No 4, relating to the implementation of binding resolutions adopted by the United Nations Security Council.

The Banking, Insurance and Securities Commission (Kredittilsynet) has issued guidelines to all banks and financial institutions regarding the obligation to freeze assets and report suspicious transactions. Transactions suspected to fall within these categories are to be reported to the National Authority for Investigation and Prosecution of Economic and Environmental Crimes (ØKOKRIM). Should a financial institution suspect that a transaction is linked to any listed individual or entity, the institution shall immediately and of its own motion forward any such information to ØKOKRIM. Furthermore, the financial institution is required, at the request of ØKOKRIM, to provide all necessary information concerning the suspected offence. At such an early phase of the investigation, there is no requirement to inform the customer or third party of the actions being taken.

The Banking, Insurance and Securities Commission (Kredittilsynet) will regularly conduct on-site inspections to monitor the finance sector and to ensure that all regulations are fully complied with. The main focus of the guidelines issued by the Commission is to raise the awareness among employees in the finance sector in Norway.

In addition, the Director General of Public Prosecutions (Riksadvokaten) has issued guidelines to all police departments and officers on how to deal with suspected financing of terrorism. The relevant national authorities regularly hold meetings to co-ordinate and implement measures to combat terrorism.

The legislation adopted to implement Security Council resolution 1373 forms an integral part of the national legislative framework to suppress international terrorism. A bill to establish effective legislative measures against acts of terrorism and the financing of terrorism was passed by the Parliament (Stortinget) () on 17 June 2002 and roval assent was given on 28 June 2002. The amendments took effect immediately. In addition, other relevant legislation has been reviewed to ensure that the requirements of resolution 1373 are fully met.

The new legislation is described in detail in Norway's report dated 8 July 2002 to the CTC http://www.un.org/Docs/sc/committees/1373/. In brief, the legislation makes it a serious criminal offence to commit or to directly or indirectly finance terrorist acts, and requires that Norwegian authorities immediately freeze any assets or funds belonging to any person or entity suspected of such acts, as set out in resolution 1373. It also fulfils the relevant requirements of the 1999 United Nations Convention for the Suppression of the Financing of Terrorism.

3. Have you encountered any problems with implementation with regard to the names and identifying information as currently included in the List? If so, please describe these problems.

No specific problems have been encountered in practice. However, two general observations can be made. The List contains a large number of names and aliases, where the spelling may be subject to variations, and where it may be time consuming to ascertain whether a particular name is actually on it. There may be scope for improvements with regard to making the List more operational with regard to control measures by enforcement authorities. Consideration may inter alia be given to ways to ensure a more appropriate alphabetical listing e.g. by nationality, which may allow for swifter electronic or manual searches.

4. Have your authorities identified inside your territory any designated individuals or entities? If so, please outline the actions that have been taken.

Following the designation of the group Ansar al-Islam 24 February 2003 on the 1267 Committee's List, Norwegian authorities implemented immediate freezing measures towards the group, as well as one individual who resides in Norway, also known as Mullah Krekar. The legal grounds for the freezing measures against Mullah Krekar were that he in previous formal statements to the Norwegian authorities acknowledged his position as leader of the group Ansar al-Islam and as such could be unequivocally identified as associated with the group. The pursuant investigation led to the immediate freeze of one bankaccount under his disposal. The amount frozen was however of limited significance and amounts to approximately USD 1000 on a bank deposit account belonging to the above-mentioned person.

The Director General of Public Prosecutions (Riksadvokaten) has ordered initiation of criminal investigations against the said individual. The purpose is to establish whether he was involved in terrorist or other criminal acts and, if so, to prosecute him under the relevant Norwegian legislation. He was detained 21 March 2003, but was released 2 April 2003 pursuant to court orders. After appeals the latter decision was upheld by the Supreme Court on 9 April 2003. The criminal investigation is continuing.

Independently of the above, the Norwegian immigration authorities have undertaken a consideration of the said person's refugee status and possible expulsion.

5. Please submit to the Committee, to the extent possible, the names of individuals or entities associated with Usama Bin Laden or members of the Taliban or Al-Qaida that have not been included in the List, unless to do so would compromise investigations or enforcement actions.

The alleged above-mentioned leader of the group Ansar al-Islam resides in Norway and is currently under criminal investigation.

6. Have any listed individuals or entities brought a lawsuit or engaged in legal proceedings against your authorities for inclusion in the List? Please specify and elaborate, as appropriate.

No such proceedings have been initiated.

7. Have you identified any of the listed individuals as nationals or residents of your country? Do your authorities have any relevant information about them not already included in the List? If so, please provide this information to the Committee as well as similar information on listed entities, as available.

Reference is made to the description under questions No. 4 and 5 above.

8. According to your national legislation, if any, please describe any measures you have taken to prevent entities and individuals from recruiting or supporting Al-Qaida members in carrying out activities inside your country, and to prevent individuals from participating in Al-Qaida training camps established in your territory or in another country.

Norwegian authorities have not encountered any such activities inside the country and no specific action has been deemed necessary. It is assumed that legislation in force plays a preventive role in this regard.

9. Please describe briefly:

- *the domestic legal basis to implement the asset freeze required by the resolutions above;*
- *any impediments under your domestic law in this context and steps taken to address them.*

Reference is made to the description of the legal framework under question No. 2 above. The Norwegian authorities have not encountered any impediments under our domestic law in implementing the resolutions.

10. Please describe any structures or mechanisms in place within your Government to identify and investigate Usama bin Laden, Al-Qaida or Taliban-related financial networks, or those who provide support to them or individuals, groups, undertakings and entities associated with them within your jurisdiction. Please indicate, as appropriate, how your efforts are coordinated nationally, regionally and/or internationally.

The Banking, Insurance and Securities Commission (Kredittilsynet) is the governmental body responsible for the distribution of lists and other information to Norwegian financial institutions pursuant to United Nations Security Council resolutions 1267, 1333 and 1390. The Commission receives this information from the Ministry of Foreign Affairs. As mentioned above under item 1, Norway has implemented the Security Council resolutions 1267, 1333 and 1390 in national legislation.

Norwegian financial institutions are upon receipt of the information required to check their customer and other business relationships to establish any connections to persons and/or entities listed pursuant to the above-mentioned resolutions.

Finally, the financial institutions are obliged to report any suspicion to the National Authority for Investigation and Prosecution of Economic and Environmental Crimes (ØKOKRIM), the Financial Intelligence Unit cf. the Financial Services Act, section 2-17.

ØKOKRIM has established a working-group, which investigates cases concerning suspected financing of terrorism. This group has recently developed a formal co-operation with the Norwegian National Security Police (PST). In addition, ØKOKRIM has established a separate Money Laundering Unit.

Norwegian financial institutions are subject to a legal framework that is fully in line with the Financial Action Task Force (FATF) Forty Recommendations and European Council Directive 91/308/EEC of 10 June 1991 on prevention of the use of the financial system for the purpose of money laundering, implemented through the European Economic Area Agreement, Annex IX, Item 23.

The Banking, Insurance and Securities Commission Regulations on Customer Identification and Measures to Combat money Laundering (No. 118 of 2 July 1994) specifies what steps the individual financial institution needs to take to ensure customer identity and the legality of transactions. The Commission is also responsible for supervising that financial institutions follow the above-mentioned legislation.

In addition to the legislative structure and procedural mechanisms described under question No 2 above, the Norwegian Ministry of Justice conducts regular meetings with the Ministries of Foreign Affairs, Immigration, and Finance, The Director General of Public Prosecutions (Riksadvokaten), The Banking, Insurance and Securities Commission (Kredittilsynet) the National Authority for Investigation and Prosecution of Economic and Environmental Crimes (ØKOKRIM), the immigration authorities etc. The purpose of these meetings is to co-ordinate the national efforts to combat international terrorism.

11. Please convey the steps banks and/or other financial institutions are required to take to locate and identify assets attributable to, or for the benefit of, Usama bin Laden or members of Al-Qaida or the Taliban, or associated entities or individuals. Please describe any "due diligence" or "know your customer" requirements. Please indicate how these requirements are enforced, including the names and activities of agencies responsible for oversight.

Banks, financial institutions and other institutions comprised by anti-money laundering legislation have a duty to require customer identification when establishing a business relationship and when handling transactions over a certain threshold. The institutions have an obligation to store information contained in the identification documents for at least five years after the customer relationship has expired or the transaction has been carried out.

The Banking, Insurance and Securities Commission (Kredittilsynet) supervises the financial-, insurance- and securities institutions. The supervision (on-site inspections) comprises inter alia the institutions' compliance with anti-money laundering- and anti-terrorist financing legislation. Kredittilsynet issues guidelines updating the Commitee's List of individuals or entities listed by the United Nations.

The above mentioned institutions have a duty to carry out investigations of suspicious transactions and a duty to report such transactions to ØKOKRIM. This also includes transactions, which may be linked to terrorist financing.

The Ministry of Finance has the responsibility for regulation and supervision of the banking, insurance- and securities industry.

12. Resolution 1455 (2003) calls on Member States to provide "a comprehensive summary of frozen assets of listed individuals and entities." Please provide a list of the assets that have been frozen in accordance with this resolution. This list should also include assets frozen pursuant to resolutions 1267 (1999), 1333 (2001) and 1390 (2002). Please include, to the extent possible, in each listing the following information:

•identification(s) of the person or entities whose assets have been frozen;
•a description of the nature of the assets frozen (i.e., bank deposits, securities, business assets, precious commodities, works of art, real estate property, and other assets);
•the value of assets frozen.

So far, the Norwegian police authorities have not frozen any assets in accordance with the above-mentioned resolutions, with the exception, as noted under item 4 above, of assets belonging to the individual also known as Mullah Krekar. The assets frozen amount to approximately USD 1000 on a bank deposit account belonging to the above-mentioned person.

13. Please indicate whether you have released pursuant to resolution 1452 (2002) any funds, financial assets or economic assets that had previously been frozen as being related to Usama Bin Laden or members of the Al-Qaida or the Taliban or associated individuals or entities. If so, please provide reasons, amounts unfrozen or released and dates.

So far the Norwegian police authorities have not released any assets or funds pursuant to Resolution 1452.

14. Pursuant to resolutions 1455 (2003), 1390 (2002), 1333 (2000) and 1267 (1999), States are to ensure that no funds, financial assets or economic resources are made available, directly or indirectly, to listed individuals or entities or for their benefit, by nationals or by any persons within their territory. Please indicate the domestic legal basis, including a brief description of laws, regulations and/or procedures in place in your country to control the movements of such funds or assets to designated individuals and entities. This section should include a description of:

- *The methodology, if any, used to inform banks and other financial institutions of the restrictions placed upon individuals or entities listed by the Committee, or who have otherwise been identified as members or associates of Al-Qaida or the Taliban. This section should include an indication of the types of institutions informed and the methods used.*
- *Required bank-reporting procedures, if any, including the use of Suspicious Transaction Reports (STR), and how such reports are reviewed and evaluated.*
- *Requirements, if any, placed on financial institutions other than banks to provide STR, and how such reports are reviewed and evaluated. Restrictions or regulations, if any, placed on the movement of precious commodities such as gold, diamonds and other related items.*
- *Restrictions or regulations, if any, applicable to alternate remittance systems such as -- or similar to -- "hawala", as well as on charities, cultural and other non-profit organisations engaged in the collection and disbursement of funds for social or charitable purposes*

To ensure that no funds, financial assets or economic resources are made available to persons or entities covered by the above-mentioned resolutions, a new Act was passed 28 June 2002 The Norwegian Penal Code Section 147 b. This section has been incorporated in the Financial Services Act, Sections 2-17, which constitutes financial institutions requirements to report suspicious transactions.

- The method used to inform banks and other financial institutions is mentioned under question 10.
- Only the financial institutions mentioned specifically in the Financial Services Act, Sections 1-3 and 2-1, are required to report suspicious transactions. All STRs are reviewed and evaluated in the same manner.
- Movement of gold, diamonds or other related items are not mentioned in legislation concerning money laundering or financing of terrorism, but only in general legislation such as the Customs Act, the Taxation Act etc.
- To operate legal remittance systems in Norway one needs a licence from the Central Bank of Norway(Norges Bank). Typical alternative remittance systems such as, or similar to, "Hawala", do not meet the stringent requirements for such licensing.
- The operation of charities, cultural and other non-profit organisations engaged in the collection and disbursement of funds are not mentioned in legislation concerning money laundering or financing of terrorism, but only in general legislation such as the Account Act etc.

Other relevant legislation and regulations:

- The Penal Code of 22. May 1902 No. 10 new Section 147a prohibits and penalises terrorist acts, Section 147b prohibits and penalises financing of terrorism.
- Regulation on limited sanctions against Taliban – freezing of assets and other financial resources of 22. December 1999 No 1374. The regulations contain a duty to freeze assets and other financial resources belonging to persons or entities named in the Lists drawn up by the United Nations' Sanctions Committee.
- The Financial Services Act of 10. June 1988 No. 40 Section 2-17, third paragraph, first sentence:

  "If a financial institution suspects that a transaction is linked to the proceeds of a criminal act, or to any matter punishable under the provisions of section 147 a or 147 b of the Penal Code, it is obliged to carry out further investigations in order to confirm or dispel the suspicion".

Financial institutions include Banks, insurance companies, finance and mortgage undertakings.

Section 2-17 also applies to Norges Bank (the Central bank of Norway), the government postal enterprise when it performs services for a financial institution, management companies for securities funds, investment firms, insurance, project and currency broking undertakings.

- The above mentioned institutions are informed of United Nations listed individuals or entities by circulars issued by Kredittilsynet. These circulars are also published on Kredittilsynet's website.
- The above mentioned institutions have a duty to report suspicious transactions to the National Authority for Investigation and Prosecution of Economic and Environmental Crimes (ØKOKRIM). This includes transactions, which may be linked to terrorist financing.
- The duty to report suspicious transactions applies also to non-bank financial institutions (see above).
- The Norwegian objective is to implement EUs second anti-money laundering directive (2001/97/EC) as soon as possible. The directive also comprises dealers in high-value goods. A duty to report suspicious transactions for such dealers will be imposed.
- According to Foreign Exchange regulations issued 27. June 1990 by The Central Bank of Norway (Norges Bank) chapter 4 it is " prohibited for anyone other than Norges Bank and foreign exchange banks to engage in the commercial transfer of payments to and from other countries on behalf of the public". "Foreign exchange banks" are defined as commercial banks and savings banks.

15. Please provide an outline of the legislative and/or administrative measures, if any, taken to implement the travel ban.

The regulations laid down in Royal Decree of 22 December 1999 Section 1 paragraph 2 prohibit individuals listed on the 1267 Committee's List to enter or pass in transit through Norwegian territory. This does not apply to Norwegian nationals where entry or transit is necessary for the fulfilment of a judicial process or where the Sanctions Committee determines on a case by case basis that entry or transit is justified.

16. Have you included the names of the listed individuals in your national "stop list" or border checkpoint list? Please briefly outline steps taken and any problems encountered.

The Lists have been communicated to the national authorities responsible for border control.

17. How often do you transmit the updated List to your border control authorities? Do you possess the capability of searching List data using electronic means at all your entry points?

The updating of the List is communicated to the relevant authorities following each revision carried out by the 1267-Committee. There is currently no national electronic searchable register at the entry points.

18. Have you stopped any of the listed individuals at any of your border points or while transiting your territory? If so, please provide additional information, as appropriate.

The Norwegian authorities have not identified any of the listed individuals trying to enter or transit through Norway.

19. Please provide an outline of the measures, if any, taken to incorporate the List in the reference database of your Consular offices. Have your visa-issuing authorities identified any visa applicant whose name appears on the List?

The List has been communicated to the Consular offices. The visa-issuing authorities have not identified any applicant whose name appears on the List.

20. What measures, if any, do you now have in place to prevent the acquisition of conventional arms and weapons of mass destruction (WMD) by Usama bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them? What kind of export control do you have in place to prevent the above targets from obtaining the items and technology necessary for weapons development and production?

Norway remains fully committed to the implementation of the embargo on deliveries of weapons and military equipment to Usama bin Laden, members of Al-Qaida organisation and the Taliban and other individuals, groups, undertakings and entities associated with them.

Norway controls the export of conventional arms and weapons of mass destruction on the basis of national legislation for armament, equipment and technology. Strict export control practice is implemented, taking into account criteria such as international security, stability and non-proliferation concerns.

Norway follows the criteria and principles of the EU Code of Conduct, the UN Register on Conventional Arms Transfers, The Wassenaar Arrangement, the Australia Group, the Nuclear Suppliers Group, the Missile Technology Control Regime and various regional initiatives.

Section 1 of Act of 7 June 1968 relating to the implementation of mandatory decisions of the Security Council provides the legal basis for the King in Council to issue regulations necessary for the implementation of such decisions. Such regulations were laid down in Royal Decree of 22 December 1999 relating to sanctions against Usama bin Laden, members of the Al-Qaida organisation and the Taliban and other individuals, groups, undertakings and entities associated with them. According to Section 1 paragraph 3 a of these Regulations, it is prohibited for Norwegian legal entities or any person who is present in Norwegian territory to sell, supply or transfer, directly or indirectly, arms and related materiel, including ammunition, military vehicles, military and paramilitary equipment and spare parts for the aforementioned, to such individuals, groups, undertakings or entities. The prohibition also applies to the use of vessels and aircraft registered in Norway.

According to Section 1 paragraph 3 b of the Regulations, it is furthermore prohibited for Norwegian legal entities or any person present in Norwegian territory to sell, supply or transfer, directly or indirectly, technical assistance or military training to such individuals, groups, undertakings or entities.

The Act of 18 December 1987 relating to control of the export of strategic goods, services and technology etc, provides the legal basis for control of the export of such goods in general. The King in Council has, by the authority provided for in Section 1 of the Act, prohibited any export of goods, technology or services which could be of importance to the development, production or use by other countries of products for military use, or which could directly benefit the development of a state's military capability, without the permission of the Ministry of Foreign Affairs. The products and technologies for which such permission is required are specified in export control lists. The Act also prohibits any persons resident or staying in Norway and Norwegian companies, foundations and associations from trading in or otherwise assisting in the sale of arms and defence material from one foreign country to another without special permission.

Unless the matter is subject to a more severe penalty otherwise provided by statute, a penalty may be imposed of fines or imprisonment for up to five years, or both.

Before processing an application, the Ministry of Foreign Affairs requires that satisfactory documentation has been submitted. Documentation that identifies the end-user is required.

An individual licence, issued by the licensing authority, the Ministry of Foreign Affairs, authorises the export of one or several pieces to one recipient upon application. Collective licences are not issued for defence related exports.

The period of validity for licenses for small arms and light weapons is normally up to three months. Licenses for temporary export are issued in cases of repairs, demonstrations and exhibition purposes.

Licenses are not required when small arms and light weapons are used by national contingents participating in peacekeeping operations and military training exercises. Private persons on temporary travel with legally owned weapons are exempted from the license requirements.

An export licence granted pursuant to the regulations may be revoked if the licence holder to a considerable extent misuses the licence or to a considerable extent fails to fulfil the terms specified therein. A licence may also be revoked if new facts or changes in the facts become known, or the political situation in the recipient state or area changes, so that the basis on which permission was granted is significantly altered. The general rules concerning the reversal of individual decisions also apply.
No licences are issued to embargoed destinations or areas of concern.

21. What measures, if any, have you adopted to criminalize the violation of the arms embargo directed at Usama bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them?

Pursuant to Section 2 of the 1968 Act relating to the implementation of binding resolutions adopted by the United Nations Security Council, any wilful or negligent contravention of the Regulations is punishable by imprisonment, fines or both. The Norwegian authorities are not aware of any contravention of the legal measures described above.

22. Please describe how your arms/arms broker licensing system, if any, can prevent Usama bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them from obtaining items under the established arms embargo.

Reference is made to the Act of 18 December 1987 relating to control of the export of strategic goods, services and technology etc. described in further detail under question 20 above. The Act prohibits persons resident or staying in Norway and Norwegian companies, foundations and associations from trading or negotiating or otherwise assisting in the sale of arms and defence materiel from one foreign country to another without special permission.

23. Do you have any safeguards that the weapons and ammunition produced within your country will not be diverted/used by Usama bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated?

Export of all strategic goods, including weapons and other military equipment, regardless of the destination of the goods requires an export licence issued by the Ministry of Foreign Affairs. The Ministry will reject any application for export which could, directly or indirectly, make available for Usama bin Laden, members of Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them technology necessary for weapons development and production. The applicant will therefore be precluded from exporting the goods through any ordinary export channels.

24. Would your State be willing or able to provide assistance to other States to help them implement the measures contained in the above-mentioned resolutions? If so, please provide additional details or proposals.

Norway is willing to provide assistance to other States to help them implement the measures contained in the above-mentioned resolutions. Such technical assistance has been provided pursuant to Security Council resolution 1373.

25. Please identify areas, if any, of any incomplete implementation of the Taliban/Al-Qaida sanctions regime, and where you believe specific assistance or capacity building would improve your ability to implement the above sanctions regime.

Not applicable.

26. Please include any additional information you believe pertinent.

No further information.